

DD/A Registry

File Contracts

1 MAY 1976

MEMORANDUM FOR: Director of Central Intelligence

FROM : John F. Blake
Deputy Director for Administration

SUBJECT : Communications Between Agency Personnel and
Contractor Personnel Regarding Agency
Contracts - Contract Overruns

REFERENCE : Mult. Addse. memo dtd 15 Apr 76 to Deputy
Directors fm DD/A same subject

Sir:

While there have been several cases of improper communications between Agency technical personnel and contractor personnel as well as overruns which hindsight might indicate the possibility of a "buy in," the referenced memorandum was issued for the following somewhat generic reasons:

a. The problem of keeping communications in channels in the Government contracting process is a recurring one and is not unique to the Central Intelligence Agency. As noted in paragraph 2 of the referent memorandum, a number of Agency contractors voiced their concern on this matter.

b. In the area of overruns, while our record continues to be good, the frequency and magnitude of overruns during FY 1976 has been somewhat more serious than in prior years. Overruns will always be with us since, in many of our contracts, we are pushing the "state of the art." While recognizing this fact, we continue to seek out and correct the problems resulting in overruns and solicit the assistance of the technical offices by calling attention to some of the more frequent causes.

OL 6 2166

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c. The unobligated balance of FY 1975 funds is low (approximately \$1,000,000), and both Jack Iams and we felt it was timely to caution operating officials not to place great reliance on prior year funds being available to bail them out of overrun situations.

15/John F. Blake
John F. Blake


Att
Reference

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Originating Office:

STATINTL


Michael P. Malanick
Director of Logistics

28 April 1976
Date

Approved For

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OFFICIAL ROUTING SLIP

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1	Director of Central Intelligence	21 APR 1976	JB/K
2	Room 7D-5607		
3	Headquarters		
4	DDIA/ Rf Blake		
5			
6			

ACTION	DIRECT REPLY	PREPARE REPLY
APPROVAL	DISPATCH	RECOMMENDATION
COMMENT	FILE	RETURN
CONCURRENCE	INFORMATION	SIGNATURE

Remarks:

Sir:

I believe it worth your time to read only the covering memorandum.



John F. Blake

22 APR 1976

Each - was the prompted by any particular case?? CB

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Deputy Director for Administration	4/20/76
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